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**FORM OF  
REGISTRATION RIGHTS AGREEMENT**

**by and between**

**[New PREMERA],  
a Washington corporation**

**and**

**the [FOUNDATION SHAREHOLDER],  
a Washington nonprofit corporation.**

**Dated as of •**

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## REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this “Agreement”), is made and entered into as of the • day of •, by and between [New PREMERA], a Washington corporation (the “Company”), and the [Foundation Shareholder], a Washington nonprofit corporation (the “Foundation Shareholder”).

### RECITALS

WHEREAS, pursuant to the terms of that certain Stock Restrictions Agreement, dated as of •, by and among PREMERA, a Washington nonprofit corporation (“PREMERA”), New PREMERA and the Beneficiary, the Beneficiary has acquired, contemporaneously with the execution of this Agreement, • shares of common stock, no par value per share, of the Company (the “Common Stock”), representing 100% of the issued and outstanding shares of Common Stock of the Company; and

WHEREAS, the Company has agreed to provide certain registration rights to the Foundation Shareholder with respect to the shares of Common Stock owned by the Foundation Shareholder, subject to the terms and conditions contained in this Agreement.

Section 1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “Affiliate,” as used with respect to the Foundation Shareholder, has the meaning ascribed to such term in Rule 12b-2 of the Exchange Act, as in effect on the date hereof, but shall be deemed not to include the Company and its subsidiaries.

(b) “Agreement” has the meaning set forth in the Preamble hereof.

(c) “Annual Limit” has the meaning set forth in Section 2 hereof.

(d) “Articles of Incorporation” means the Articles of Incorporation of the Company as in effect at the time that reference is made thereto.

(e) “Beneficially Own” has the meaning set forth in the Articles of Incorporation.

(f) “Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of the State of Washington and the United States of America.

(g) “Bylaws” means the Bylaws of the Company as in effect at the time that reference is made thereto.

(h) “Common Stock” has the meaning set forth in the Recitals hereof.

- (i) “Company” has the meaning set forth in the Preamble hereof
- (j) “Continuing Option” has the meaning specified in Section 5(b) hereof.
- (k) “Continuing Option Notice” has the meaning specified in Section 5(b) hereof.
- (l) “Continuing Option Price” has the meaning specified in Section 5(b) hereof.
- (m) “Continuing Option Securities” has the meaning specified in Section 5(b) hereof.
- (n) “Conversion Closing Date” is the date on which the Conversion Transaction is completed in accordance to the terms thereof.
- (o) “Conversion Transaction” means the series of transactions contemplated by the Plan of Conversion attached as Exhibit A-4 to the Statement Regarding the Acquisition of Control of a Domestic Health Carrier and a Domestic Insurer which was filed on behalf of the Company with the Insurance Commissioner of the State of Washington, the Attorney General of the State of Washington, the Alaska Division of Insurance and the Oregon Insurance Division on September 17, 2002.
- (p) “Current Market Value” means the product of the number of Registrable Securities at issue multiplied by the closing sale price of a share of Common Stock on the Principal Trading Market on the date that the Current Market Value is to be determined.
- (q) “Blackout Period” has the meaning specified in Section 7 hereof.
- (r) “Demand” has the meaning specified in Section 2(a) hereof.
- (s) “Demand Option” has the meaning specified in Section 2(b) hereof.
- (t) “Demand Option Notice” has the meaning specified in Section 2(b) hereof.
- (u) “Demand Option Securities” has the meaning specified in Section 2(b) hereof.
- (v) “Demand Registration” has the meaning specified in Section 2(a) hereof.
- (w) “Dissolution Purchase Option” has the meaning specified in Section 5(c) hereof.
- (x) “Dissolution Purchase Option Notice” has the meaning specified in Section 5(c) hereof.

(y) “Dissolution Purchase Option Price” has the meaning specified in Section 5(c) hereof.

(z) “Dissolution Purchase Option Security” has the meaning specified in Section 5(c) hereof.

(aa) “Excess Shares” has the meaning set forth in the Articles of Incorporation.

(bb) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made thereto.

(cc) “Foundation Shareholder” has the meaning set forth in the Preamble hereof.

(dd) “Initial Continuing Option Exercise Date” means the first date on which the Foundation Shareholder holds less than fifty percent (50%) of the issued and outstanding shares of Common Stock.

(ee) “Independent Director” has the meaning set forth in the Articles of Incorporation.

(ff) “Inspectors” has the meaning specified in Section 9(k) hereof.

(gg) “IPO” means the initial Underwritten Offering.

(hh) “NASD” means the National Association of Securities Dealers, Inc.

(ii) “Ownership Limit” has the meaning set forth in the Articles of Incorporation.

(jj) “Person” means any individual, firm, partnership, corporation (including, without limitation, a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, and shall include any successor (by merger or otherwise) of any such entity.

(kk) “Piggy-Back Request” has the meaning set forth in Section 3(b) hereof.

(ll) “Piggy-Back Rights” has the meaning set forth in Section 3(a) hereof.

(mm) “Preliminary Purchase Option” has the meaning set forth in Section 5(a) hereof.

(nn) “Preliminary Purchase Option Notice” has the meaning set forth in Section 5(a) hereof.

(oo) “Preliminary Purchase Option Securities” has the meaning set forth in Section 5(a) hereof.

(pp) “Preliminary Purchase Price” has the meaning set forth in Section 5(a) hereof.

(qq) “Principal Trading Market” means, as of a specific date, the principal securities exchange or market on which shares of Common Stock are then traded.

(rr) “Private Placement Notice” has the meaning specified in Section 12 hereof.

(ss) “Private Placement Option” has the meaning specified in Section 12 hereof.

(tt) “Private Placement Option Notice” has the meaning specified in Section 12 hereof.

(uu) “Private Placement Securities” has the meaning specified in Section 12 hereof.

(vv) “Prospectus” means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by any Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and all material incorporated by reference in such prospectus, or in the case of a unregistered offering of the Company’s securities, any offering circular, private placement memorandum or similar disclosure document, as such document may be amended or supplemented.

(ww) “Purchase Option” has the meaning set forth in Section 5(d) hereof.

(xx) “Purchase Option Notice” has the meaning set forth in Section 5(d) hereof.

(yy) “Purchase Option Securities” has the meaning specified in Section 5(d) hereof.

(zz) “Purchase Price” has the meaning set forth in Section 5(d) hereof.

(aaa) “Records” has the meaning specified in Section 9(k) hereof.

(bbb) “Registration Period” means the period commencing on the date following completion of an IPO and ending on the first date on which the Foundation Shareholder’s rights under Sections 2 and 3 hereof with respect to Registrable Securities shall terminate as provided in Section 4 hereof.

(ccc) “Registrable Securities” means any and all of (i) the shares of Common Stock held by the Foundation Shareholder as of the date of this Agreement, and (ii) any securities issuable or issued or distributed in respect of any of the securities identified in clause (i) by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, reorganization, merger, consolidation or otherwise.

(ddd) “Registration Expenses” means any and all reasonable expenses incident to performance of or compliance with this Agreement, including, without limitation, (i) all SEC, NASD and securities exchange registration and filing fees, (ii) all fees and expenses of complying with state securities or “blue sky” laws (including fees and disbursements of counsel for any underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all processing, printing, copying, messenger and delivery expenses, (iv) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange pursuant to Section 9(h) hereof, (v) all fees and disbursements of counsel for the Company and of its independent public accountants, and (vi) the reasonable fees and expenses of any special experts retained by the Company in connection with a registration under this Agreement, but excluding (A) any underwriting discounts and commissions and transfer taxes relating to the sale or disposition of Registrable Securities by the Foundation Shareholder pursuant to a Registration Statement, and (B) any fees, expenses or disbursements of counsel and other advisers to the Foundation Shareholder.

(eee) “Registration Statement” means any registration statement (including a Shelf Registration) of the Company referred to in Sections 2 or 3 hereof, including any Prospectus, amendments and supplements to any such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in any such registration statement.

(fff) “Rule 144” means Rule 144 under the Securities Act, 17 C.F.R. § 230.144, or any similar or successor rules or regulations hereafter adopted by the SEC.

(ggg) “SEC” means the United States Securities and Exchange Commission and any successor federal agency having similar powers.

(hhh) “Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made thereto.

(iii) “Shelf Registration” means a “shelf” registration statement on an appropriate form pursuant to Rule 415 under the Securities Act (or any successor rule that may be adopted by the SEC).

(jjj) “Transaction Documents” means the documents and agreements listed in Annex A attached hereto.

(kkk) “Underwritten Offering” means an offering in which securities of the Company are sold to an underwriter for reoffering to the public pursuant to an effective Registration Statement under the Securities Act.

(lll) “Voting Trust and Divestiture Agreement” means that certain Voting Trust and Divestiture Agreement, of even date herewith, by and among the Company, the Foundation Shareholder, and the trustee named therein, as amended from time to time.

## Section 2. Demand Registration Rights.

(a) Throughout the Registration Period, the Foundation Shareholder may, at any time and subject to the terms hereof, request the Company in writing (each, a “Demand”) to effect a registration with the SEC under and in accordance with the provisions of the Securities Act during any 12 month period of up to 25% of the shares currently held by the Foundation Shareholder (the “Annual Limit”) and any amounts in excess of the Annual Limit with the consent of the Company (a “Demand Registration”). The Demand shall specify the aggregate number of shares of Registrable Securities requested to be so registered. Except as otherwise provided in this Agreement, any request received by the Company from the Foundation Shareholder as provided in this Section 2(a) shall be deemed to be a “Demand” for purposes of this Agreement unless the Company shall have notified the Foundation Shareholder in writing, prior to its receipt of such request from the Foundation Shareholder, of its intention to register securities with the SEC, in which case the request from the Foundation Shareholder shall be governed by Section 3 hereof, not this Section 2.

(b) Following its receipt of a Demand at any time after the completion of an offering of Common Stock registered under the Securities Act, the Company shall have the right, but not the obligation (the “Demand Option”), exercisable by providing written notice thereof (the “Demand Option Notice”) to the Foundation Shareholder within fifteen (15) days of receipt of such Demand, to purchase all or (subject to the penultimate sentence of this Section 2(b)) any portion of the Registrable Securities that are the subject of such Demand (the “Demand Option Securities”) at a cash price per share equal to the average closing sale price per share of the Common Stock on the Principal Trading Market during the ten (10) consecutive trading days ending on the second (2nd) trading day immediately preceding the date of the Demand. The Demand Option Notice shall state the number of Demand Option Securities that the Company shall purchase pursuant to the Demand Option, the aggregate purchase price therefor, and the closing date of the Company’s purchase of the Demand Option Securities, which shall take place no later than ninety (90) days after the date of the Demand Option Notice. The Company shall pay for the Demand Option Securities that it shall purchase pursuant to the Demand Option at the closing thereof by wire transfer of immediately available funds to a bank account designated by the Foundation Shareholder. At such closing, the Foundation Shareholder shall deliver or cause to be delivered to the Company the certificate or certificates representing the number of Demand Option Securities purchased by the Company as specified in the Demand Option Notice, free and clear of all liens, claims,

security interests and other encumbrances. The Company shall be entitled to receive customary representations and warranties from the Foundation Shareholder regarding such sale of Demand Option Securities (including representations regarding good title to such shares, free and clear of all liens, claims, security interests and other encumbrances). Notwithstanding anything in this Section 2(b) to the contrary, unless the Foundation Shareholder shall consent thereto, the Company shall not have the right to purchase less than all of the Demand Option Securities pursuant to a Demand Option if the Current Market Value (determined as of the date of the original Demand by the Foundation Shareholder) of the Demand Option Securities that the Company shall have elected not to purchase shall be less than Thirty Million Dollars (\$30,000,000). In the event that the Company shall purchase all of the Demand Option Securities in accordance with this Section 2(b), then the requested Demand Registration related thereto shall not be deemed to count as a Demand Registration described in Section 2(d)(i) or Section 2(d)(ii) hereof.

(c) If the Company does not elect to exercise the Demand Option, or elects to purchase less than all of the Demand Option Securities, the Company shall use its best efforts to file a Registration Statement for the Registrable Securities, or remainder thereof, identified in such Demand as soon as practicable and to cause such Registration Statement to become effective.

(d) Notwithstanding anything in this Agreement to the contrary, the Company shall not be required to prepare or file a Registration Statement for the Registrable Securities identified in a Demand:

(i) if the Company shall have previously effected a Demand Registration at any time during the immediately preceding one hundred eighty (180) day period;

(ii) if the Company shall have previously effected a Demand Registration at any time during the calendar year in which the Demand was received;

(iii) if the Company shall have previously effected a registration of Common Stock to be issued and sold by the Company at any time during the immediately preceding one hundred and eighty (180) day period (other than with respect to a merger, combination, employee stock benefit plan or dividend reinvestment plan or any successor forms thereto); or

(iv) if the number of Registrable Securities identified in the Demand shall have a Current Market Value (determined as of the date of such Demand) of less than Thirty Million Dollars (\$30,000,000), unless such Registrable Securities identified in the Demand constitute all remaining Registrable Securities.

(e) The Company shall be permitted to satisfy its obligations under this Section 2 by means of a Shelf Registration, including by amending (to the extent permitted by applicable law) any Shelf Registration previously filed by the Company

under the Securities Act, so as to permit the disposition (in accordance with the intended methods of disposition specified as aforesaid) of all of the Registrable Securities for which a Demand shall have been made. If the Company shall include Registrable Securities requested to be registered in a Shelf Registration, any sale of Registrable Securities pursuant to the Shelf Registration shall be deemed to be a Demand Registration.

(f) A requested Demand Registration shall not be deemed to count as a Demand Registration described in Section 2(d)(i) or Section 2(d)(ii) hereof if: (i) such registration has not been declared effective by the SEC or does not become effective in accordance with the Securities Act, other than by reason of the Foundation Shareholder withdrawing its Demand after the filing of the Registration Statement or the failure of the Foundation Shareholder to provide information necessary for inclusion in the Registration Statement, (ii) after becoming effective, such registration is materially interfered with by any stop order, injunction or similar order or requirement of the SEC or other governmental agency or court for any reason not attributable to the Foundation Shareholder and does not thereafter become effective, (iii) the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such Demand Registration are not satisfied or waived due to a failure on the part of the Company, or (iv) the Foundation Shareholder shall have withdrawn its Demand or otherwise determined not to pursue such registration prior to the filing of the Registration Statement with the SEC for such Demand, provided that the Foundation Shareholder shall have reimbursed the Company for all of the Registration Expenses incurred in connection with such Demand.

(g) Should a Registration Statement filed pursuant to a Demand not become effective due to the failure of the Foundation Shareholder to perform its obligations under this Agreement or the inability of the Foundation Shareholder to reach agreement with the underwriter(s) on price or other customary terms for such transaction, or in the event the Foundation Shareholder determines to withdraw or does not pursue a request for registration pursuant to a Demand (in each of the foregoing cases, provided that at such time the Company shall be in compliance in all material respects with its obligations under this Agreement), then such registration shall be deemed to count as a Demand Registration described in Section 2(d)(i) and Section 2(d)(ii) hereof, and the Foundation Shareholder shall reimburse the Company for all of its Registration Expenses incurred in connection with such demand.

(h) The Company shall have the right, but not the obligation, to include any securities to be issued and sold by the Company in any Registration Statement (including a Shelf Registration referred to in Section 2(e) hereof) filed pursuant to a Demand without the prior consent of the Foundation Shareholder, provided that the inclusion of securities to be issued and sold by the Company would not prevent the Foundation Shareholder from timely reducing its ownership interest in the Company to the levels specified in the Voting Trust and Divestiture Agreement.

(i) If the lead managing underwriter (selected by the Company as provided in Section 6 hereof) of an Underwritten Offering made pursuant to a Demand shall advise the Company in writing (with a copy to the Foundation Shareholder) that marketing or other factors require a limitation on the number of shares of Common Stock that can be sold in such offering within a price range acceptable to the Foundation Shareholder, then (i) if the Company shall have elected to include any securities to be issued and sold by the Company in such offering pursuant to Section 2(h) hereof, then, subject to the proviso set forth in Section 2(h) hereof, the number of securities that the Foundation Shareholder and the Company intend to sell pursuant to such offering shall be reduced (x) first, by excluding the amount of securities, if any, requested to be included by the Company in excess of the number of securities requested to be sold by the Foundation Shareholder in such offering and (y) second, if necessary, pro rata (after taking into account any exclusion of securities provided in this Section 2(i)(i)(x)) such that the total number of securities being sold by the Foundation Shareholder and the Company shall be equal to the number that can be sold in such offering within a price range acceptable to the Foundation Shareholder and (ii) if the Company shall not have elected to include any securities in such Registration Statement pursuant to Section 2(h) hereof, the Foundation Shareholder shall reduce the number of Registrable Securities requested to be included in such offering to the number that the lead managing underwriter advises can be sold in such offering within such price range and in each case such Demand shall count as a Demand Registration described in Section 2(d)(i) or Section 2(d)(ii) hereof. Notwithstanding anything in this Agreement to the contrary, in the case of an IPO, the amount and allocation (as between the Company and the Foundation Shareholder) of securities to be included in such offering shall be determined by the Company in its sole discretion after consultation with the lead managing underwriter for the IPO.

### Section 3. Piggy-Back Registration Rights.

(a) Whenever the Company shall propose to file a Registration Statement under the Securities Act relating to the public offering of Common Stock for sale for cash for its own account, the Company shall give written notice to the Foundation Shareholder at least fifteen (15) Business Days prior to the anticipated filing thereof, specifying the approximate date on which the Company proposes to file such Registration Statement and the intended method of distribution in connection therewith, and advising the Foundation Shareholder of the Foundation Shareholder's right to have any or all of the Registrable Securities then held by the Foundation Shareholder included among the securities to be covered by such Registration Statement (the "Piggy-Back Rights").

(b) Subject to Section 3(c) and Section 3(d) hereof, in the event that the Foundation Shareholder has and shall elect to utilize its Piggy-Back Rights, the Company shall include in the Registration Statement the Registrable Securities identified by the Foundation Shareholder in a written request (the "Piggy-Back Request") given to the Company not later than ten (10) Business Days prior to the proposed filing date of the Registration Statement. The Registrable Securities identified in the Piggy-Back Request

shall be included in the Registration Statement on the same terms and conditions as the other shares of Common Stock included in the Registration Statement.

(c) Notwithstanding anything in this Agreement to the contrary, the Foundation Shareholder shall not have Piggy-Back Rights with respect to (i) a Registration Statement filed in respect to a merger, combination, employee stock benefit plan or dividend reinvestment plan or any successor forms thereto, (ii) a Registration Statement filed in connection with an exchange offer or an offering of securities solely to existing stockholders or employees of the Company, (iii) a Registration Statement filed in connection with an offering by the Company of securities convertible into or exchangeable for Common Stock, (iv) a Registration Statement filed in connection with the redistribution of shares of Common Stock held by the Foundation Shareholder in excess of the Ownership Limit, or (v) a Prospectus used in connection with a private placement of securities of the Company (whether for cash or in connection with an acquisition by the Company or one of its subsidiaries).

(d) If the lead managing underwriter selected by the Company for an Underwritten Offering for which Piggy-Back Rights are requested determines that marketing or other factors require a limitation on the number of shares of Common Stock to be offered and sold in such offering, then (i) such underwriter shall provide written notice thereof to each of the Company and the Foundation Shareholder, and, (ii) subject to Section 3(e) hereof, the number of securities that the Company and the Foundation Shareholder intend to sell pursuant to such offering shall, except in the case of an IPO, be reduced (x) first, by excluding the amount of securities, if any, requested to be included by the Foundation Shareholder in excess of the number of securities requested to be sold by the Company in such offering and (y) second, if necessary, pro rata (after taking into account any exclusion of securities provided in this Section 3(d)(ii)(x)) such that the total number of securities being sold by the Company and the Foundation Shareholder shall be equal to the number that can be sold in such offering within a price range acceptable to the Company.

(e) If the registration is a secondary registration on behalf of other holders of the Company securities, the Company must only include in such registration (i) that number of Registrable Securities requested to be included by the Foundation Shareholder as shall result in the Foundation Shareholder owning less than 20% of the total shares of the Company and (ii) second, if necessary, pro rata such that the total number of securities being sold by the Foundation Shareholder other holders of the Company securities who wish to register the Company securities shall be equal to the number that can be sold in such offering.

(f) If the Company shall propose to file a Registration Statement under the Securities Act relating to the public offering of Common Stock for sale for cash for its own account (other than a Registration Statement in respect to a merger, combination, employee stock benefit plan or dividend reinvestment plan or any successor forms thereto), the Company shall have the right to require (in the case of a Shelf Registration,

to the extent permitted by the rules and regulations of the SEC) that the Foundation Shareholder sell a number of shares of Common Stock in such offering equal to up to one-half the number of shares of Common Stock the Company proposes to issue and sell in such offering. The sale of shares of Common Stock of the Foundation Shareholder included in such offering shall be on the same terms and conditions as the other shares of Common Stock included in the offering, and the Foundation Shareholder shall agree to sell the Foundation Shareholder's shares of Common Stock on the basis provided in any underwriting arrangements approved by the Company in its reasonable discretion, and shall complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, but shall not be required to make any representations and warranties relating to the Company or provide any indemnities with respect thereto. If the lead managing underwriter selected by the Company for an Underwritten Offering in which the Company has required the Foundation Shareholder to include shares of Common Stock pursuant to this Section 3(e) determines that marketing or other factors require a limitation on the number of shares of Common Stock to be offered and sold in such offering, then the number of shares of Common Stock held by the Foundation Shareholder to be included in the offering shall be reduced such that the total number of securities being sold by the Company and the Foundation Shareholder shall be equal to the number that can be sold in such offering within a price range acceptable to the Company. Notwithstanding anything in this Agreement to the contrary, in case of an IPO, the amount and allocation (as between the Company and the Foundation Shareholder) of securities to be included in such offering shall be determined by the Company in its sole discretion after consultation with the lead managing underwriter for such IPO.

(g) Nothing contained in this Section 3 shall create any liability on the part of the Company to the Foundation Shareholder if the Company for any reason should decide not to file a Registration Statement for which Piggy-Back Rights are available or to withdraw such Registration Statement subsequent to its filing, regardless of any action whatsoever that the Foundation Shareholder may have taken, whether as a result of the issuance by the Company of any notice hereunder or otherwise.

#### Section 4. Termination of Registration Rights.

The rights of the Foundation Shareholder under Sections 2 and 3 shall terminate with respect to Registrable Securities when and to the extent that (i) they shall have been transferred, sold, distributed or otherwise disposed of by the Foundation Shareholder (whether pursuant to an underwritten public offering, a private placement transaction, Rule 144 or otherwise), (ii) they shall have ceased to be outstanding, or (iii) they shall have become Delinquent Shares (as defined in the Voting Trust and Divestiture Agreement).

## Section 5. Purchase Options.

(a) During the time between of the Conversion Closing Date and the completion of the Company's IPO, the Company shall have the right, but not the obligation (the "Preliminary Purchase Option"), exercisable by providing written notice thereof (the "Preliminary Purchase Option Notice") to the Foundation Shareholder, to purchase from the Foundation Shareholder all or any portion of the Registrable Securities (the "Preliminary Purchase Option Securities") at a cash price to be reasonably determined between the Foundation Shareholder and the Company ("Preliminary Option Price").

(b) At any time and from time to time after the Initial Continuing Option Exercise Date and thereafter during the Registration Period, the Company shall have the right, but not the obligation (the "Continuing Option"), exercisable by providing written notice thereof (the "Continuing Option Notice") to the Foundation Shareholder, to purchase from the Foundation Shareholder all or any portion of the Registrable Securities (the "Continuing Option Securities") at a cash price per share equal to the average closing sale price per share of Common Stock on the Principal Trading Market during the ten (10) consecutive trading days ending on the 2<sup>nd</sup> trading day immediately preceding the date of the exercise by the Company of such right ("Continuing Option Price").

(c) Immediately prior to the Foundation Shareholder taking any action towards dissolution or winding-up of its affairs, the Company shall have the right, but not the obligation (the "Dissolution Purchase Option"), exercisable by providing written notice thereof (the "Dissolution Purchase Option Notice") to the Foundation Shareholder, to purchase from the Foundation Shareholder all or any portion of the Registrable Securities (the "Dissolution Purchase Option Securities") at a cash price per share equal to the average closing sales price for the previous consecutive 10 trading days ending on the 2<sup>nd</sup> trading day immediately preceding the date of the exercise by the Company of such right ("Dissolution Option Price").

(d) A Preliminary Purchase Option Notice, a Continuing Option Notice, or a Dissolution Purchase Option Notice (collectively, the "Purchase Option Notice") shall state the number of Preliminary Purchase Option Securities, Continuing Option Securities, or Dissolution Purchase Option Securities (collectively, the "Purchase Option Securities") that the Company shall or propose to purchase, as applicable, pursuant to the Preliminary Purchase Option, the Continuing Purchase Option, or the Dissolution Purchase Option, as applicable, (the "Purchase Option"), the aggregate purchase price or proposed purchase price, as applicable, therefor, and the closing date of the Company's purchase of the Purchase Option Securities, which shall take place within thirty (30) days of the date of the Purchase Option Notice. The Company shall pay for the Purchase Option Securities that it shall purchase pursuant to the Purchase Option at the closing thereof by wire transfer of immediately available funds to a bank account designated by the Foundation Shareholder. At such closing, the Foundation Shareholder shall deliver to

the Company a certificate or certificates representing the number of Purchase Option Securities purchased by the Company as specified in the Purchase Option Notice, free and clear of all liens, claims, security interests and other encumbrances. The Company shall be entitled to receive customary representations and warranties from the Foundation Shareholder regarding such sale of Purchase Option Securities (including representations regarding good title to such shares, free and clear of all liens, claims, security interests and other encumbrances).

(e) If the Company shall purchase Continuing Option Securities pursuant to Section 5(a) hereof, it shall not, for a period of forty-five (45) days thereafter, sell shares of Common Stock for cash in public or private transactions (except that the Company shall be permitted, during such period, to issue Common Stock pursuant to benefit, stock option and dividend reinvestment plans for its directors, officers, employees and shareholders).

#### Section 6. Selection of Underwriters.

(a) In connection with any Underwritten Offering made pursuant to a Demand, the Company shall have the right to select the lead managing underwriter and any other managing underwriter to administer the Underwritten Offering, so long as each such underwriter shall be reasonably satisfactory to the Foundation Shareholder. Each underwriter selected by the Company shall be deemed reasonably satisfactory to the Foundation Shareholder unless the Foundation Shareholder sends a written notice of objection to the Company within five (5) Business Days following receipt of written notice from the Company of the selection of the underwriter.

(b) The Foundation Shareholder acknowledges and agrees that • shall be reasonably satisfactory to the Foundation Shareholder to serve as a managing underwriter for any Underwritten Offering made pursuant to a Demand.

Section 7. Blackout Periods. If (i), prior to receipt of the Demand, the Company has conducted a meeting with outside advisors to conduct an Underwritten Offering and, in the good faith business judgment of the underwriters, a registration could materially and adversely affect the Company's plan of financing or (ii) the Foundation Shareholder or the Company determines, in good faith, that registering such securities would (x) materially and adversely interfere with any previously announced business combination transaction involving the Company pursuant to which the Company would issue, in connection with such transaction, shares of Common Stock to some or all of the equity owners of the counter-party to such business combination transaction, (y) result in the premature disclosure of any pending financing, acquisition, corporate reorganization or any other corporate or market development involving the Company or any of its subsidiaries, or (z) materially and adversely effect any other corporate financing transaction then planned by the Company, then, in any such event, the Company shall promptly give the Foundation Shareholder written notice of such determination and the Company shall be entitled to (1) postpone the filing of the Registration Statement

otherwise required to be prepared and filed by the Company pursuant to Section 2 hereof or (2) elect that the effective Registration Statement not be used, in either case for a reasonable period of time, but not to exceed one hundred eighty (180) days after the date that the Demand was made (a “Blackout Period”). Any such written notice shall contain a general statement of the reasons for such postponement or restriction on use and an estimate of the anticipated delay. The Company shall promptly notify the Foundation Shareholder of the expiration or earlier termination of such Blackout Period.

#### Section 8. Holdback.

(a) If (i) during the Registration Period, the Company shall file a Registration Statement (other than with respect to a merger, combination, employee stock benefit plan or dividend reinvestment plan or any successor forms thereto) with respect to any shares of its capital stock, and (ii) upon reasonable prior notice (x) the Company (in the case of a non-underwritten offering pursuant to such Registration Statement) advises the Foundation Shareholder in writing that a sale or distribution of Registrable Securities would adversely affect such offering, or (y) the managing underwriter or underwriters (in the case of an Underwritten Offering) advise the Company in writing (in which case the Company shall notify the Foundation Shareholder) that a sale or distribution of Registrable Securities would adversely impact such offering, then the Foundation Shareholder shall, to the extent not inconsistent with applicable law, refrain from effecting any sale or distribution of Registrable Securities, including sales pursuant to Rule 144 and private placements, during the period commencing on the date of such notice and continuing until not later than the ninetieth (90th) day after the effective date of such Registration Statement.

(b) During the thirty (30) day period commencing on the effective date of a Registration Statement filed by the Company on behalf of the Foundation Shareholder in connection with an Underwritten Offering pursuant to a Demand, the Company shall not effect (except than with respect to a merger, combination, employee stock benefit plan or dividend reinvestment plan or any successor forms thereto and pursuant to Section 2(h) hereof) any public sale or distribution of Common Stock or of preferred stock or securities convertible into or exercisable for Common Stock.

(c) The Foundation Shareholder shall, to the extent not inconsistent with applicable law, refrain from effecting any sale or distribution of Registrable Securities, including sales pursuant to Rule 144 or private placements, during the pendency of a tender or exchange offer if the majority of Independent Directors has not previously recommended to the Foundation Shareholder that it accept such tender or exchange offer.

Section 9. Registration Procedures. If and whenever the Company shall be required to use its best efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company shall and, with respect to Section 9(m) and Section 9(n), the Foundation Shareholder shall:

(a) prepare and file with the SEC a Registration Statement with respect to such Registrable Securities on any form for which the Company then qualifies or that counsel for the Company shall deem appropriate, and which form shall be available for the sale of the Registrable Securities in accordance with the intended methods of distribution thereof, and use its best efforts to cause such Registration Statement to become and remain effective;

(b) prepare and file with the SEC amendments and post-effective amendments to such Registration Statement and such amendments and supplements to the Prospectus used in connection therewith as may be necessary to maintain the effectiveness of such registration or as may be required by the rules, regulations or instructions applicable to the registration form utilized by the Company or by the Securities Act for a Shelf Registration or otherwise necessary to keep such Registration Statement effective for at least ninety (90) days and cause the Prospectus as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and to otherwise comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement until the earlier of (x) such 90th day or (y) such time as all Registrable Securities covered by such Registration Statement shall have been sold in such registered offering (it being understood that the Company at its option may determine to maintain such effectiveness for a longer period, whether pursuant to a Shelf Registration or otherwise); provided, however, that a reasonable time before filing a Registration Statement or Prospectus, or any amendments or supplements thereto (other than reports required to be filed by it under the Exchange Act), the Company shall furnish to the Foundation Shareholder, the managing underwriter and their respective counsel for review and comment (provided that such comments are provided to the Company in a timely manner), copies of all documents proposed to be filed;

(c) furnish to the Foundation Shareholder and to any underwriter in connection with an Underwritten Offering such number of conformed copies of such Registration Statement and of each amendment and post-effective amendment thereto (in each case including all exhibits) and such number of copies of any Prospectus or Prospectus supplement and such other documents as the Foundation Shareholder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities by the Foundation Shareholder or underwriter (the Company hereby consenting to the use (subject to the limitations set forth in Section 9(n) hereof) of the Prospectus or any amendment or supplement thereto in connection with such disposition);

(d) use its best efforts to register or qualify such Registrable Securities covered by such Registration Statement under such other securities or "blue sky" laws of such jurisdictions as the Foundation Shareholder shall reasonably request, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Section 9(d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction;

(e) notify the Foundation Shareholder, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act within the appropriate period mentioned in Section 9(b) hereof, of the Company's becoming aware that the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and prepare and furnish to the Foundation Shareholder a reasonable number of copies of an amendment or supplement to such Registration Statement or related Prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(f) notify the Foundation Shareholder at any time:

(i) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective;

(ii) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for additional information;

(iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or any order preventing the use of a related Prospectus, or the initiation (or any overt threats) of any proceedings for such purposes;

(iv) of the receipt by the Company of any written notification of the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation (or overt threats) of any proceeding for that purpose; and

(v) if at any time the representations and warranties of the Company contemplated by paragraph (i) below cease to be true and correct in all material respects;

(g) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders an earnings statement that shall satisfy the provisions of Section 11(a) of the Securities Act, provided that the Company shall be deemed to have complied with this Section 9(g) if it shall have complied with Rule 158 under the Securities Act;

(h) use its best efforts to cause all such Registrable Securities to be listed on the Principal Trading Market, The Nasdaq Stock Market or any other national securities exchange or automated quotation system on which the class of Registrable Securities being registered is then listed, and if such Registrable Securities are not already so listed

and if such listing is then permitted under the rules of such exchange, and to provide a transfer agent and registrar for such Registrable Securities covered by such Registration Statement no later than the effective date of such Registration Statement;

(i) enter into agreements (including an underwriting agreement in the form customarily entered into by other companies in comparable underwritten public offerings) and take all other appropriate and all commercially reasonable actions in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, whether or not an underwriting agreement shall be entered into and whether or not the registration shall be an underwritten registration:

(i) make such representations and warranties to the Foundation Shareholder and the underwriters, if any, in form, substance and scope as are customarily made by other companies to underwriters in comparable underwritten public offerings;

(ii) obtain opinions of counsel to the Company and updates thereof (which counsel and opinions shall be reasonably satisfactory (in form, scope and substance) to the managing underwriters, if any, and the Foundation Shareholder) addressed to the Foundation Shareholder and the underwriters covering the matters customarily covered in opinions requested in comparable Underwritten Offerings by the Company;

(iii) obtain “comfort letters” and updates thereof from the Company’s independent certified public accountants addressed to the Foundation Shareholder and the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in “comfort letters” by independent accountants in connection with comparable underwritten offerings on such date or dates as may be reasonably requested by the managing underwriter;

(iv) provide the indemnification in accordance with the provisions and procedures of Section 12 hereof to all parties to be indemnified pursuant to such Section 12; and

(v) deliver such documents and certificates as may be reasonably requested by the Foundation Shareholder and the managing underwriters, if any, to evidence compliance with clause (f) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company;

(j) cooperate with the Foundation Shareholder and the managing underwriter or underwriters to facilitate, to the extent reasonable under the circumstances, the timely preparation and delivery of certificates representing the securities to be sold under such Registration Statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or the

Foundation Shareholder may request and/or in a form eligible for deposit with the Depository Trust Company;

(k) make available to the Foundation Shareholder, any underwriter participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by the Foundation Shareholder or underwriter (collectively, the “Inspectors”), reasonable access to appropriate officers of the Company and the Company’s subsidiaries to ask questions and to obtain information reasonably requested by such Inspector and all financial and other records and other information, pertinent corporate documents and properties of any of the Company and its subsidiaries and affiliates (collectively, the “Records”), as shall be reasonably necessary to enable them to exercise their due diligence responsibility; provided, however, that the Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors in writing are confidential shall not be disclosed to any Inspector unless such Inspector signs a confidentiality agreement reasonably satisfactory to the Company or either (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission of a material fact in such Registration Statement, or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; provided, further, that any decision regarding the disclosure of information pursuant to subclause (i) shall be made only after consultation with counsel for the applicable Inspectors; and provided, further, that the Foundation Shareholder agrees that it shall, promptly after learning that disclosure of such Records is sought in a court having jurisdiction, give notice to the Company and allow the Company, at the Company’s expense, to undertake appropriate action to prevent disclosure of such Records;

(l) in the event of the issuance of any stop order suspending the effectiveness of the Registration Statement or of any order suspending or preventing the use of any related Prospectus or suspending the qualification of any Registrable Securities included in the Registration Statement for sale in any jurisdiction, the Company shall use all commercially reasonable efforts promptly to obtain its withdrawal;

(m) the Foundation Shareholder shall furnish the Company with such information regarding the Foundation Shareholder and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Company may from time to time reasonably request in writing; and

(n) the Foundation Shareholder shall, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 9(e) hereof, forthwith discontinue disposition of Registrable Securities pursuant to the Prospectus or Registration Statement covering such Registrable Securities until the Foundation Shareholder shall have received copies of the supplemented or amended Prospectus contemplated by Section 9(e) hereof, and, if so directed by the Company, the Foundation Shareholder shall deliver to the Company (at the Company’s expense) all copies, other than permanent file copies then in the Foundation Shareholder’s possession, of the

Prospectus covering such Registrable Securities current at the time of receipt of such notice.

Section 10. Pricing Determinations.

(a) In case of a registration pursuant to a Demand in which Registrable Securities are only being offered to the public by and on behalf of the Foundation Shareholder, determinations regarding pricing, underwriter discounts and commissions shall be made by (i) the board of directors of the Foundation Shareholder, (ii) a committee thereof as designated in advance by the board of directors of the Foundation Shareholder, or (iii) two or more executive officers of the Foundation Shareholder as designated in advance by the board of directors of the Foundation Shareholder and with the consent of the Company, such consent not to be unreasonably withheld.

(b) In case of a registration pursuant to a Demand or otherwise in which Registrable Securities are being offered to the public by and on behalf of both the Foundation Shareholder and the Company, or by the Company only, determinations regarding pricing, underwriter discounts and commissions shall be made by the Company, in its sole discretion.

Section 11. Registration Expenses. Except as otherwise provided herein, in connection with all registrations of Registrable Securities made pursuant to a Demand Registration or Piggy-Back Rights, (i) prior to the Company's IPO, any expenses incurred in connection with any registration of Registrable Securities sold by the Foundation Shareholder shall be paid by the Company, excluding underwriter discounts, commissions or transfer taxes relating to the sale or disposition of the Company's shares and fees, expenses, or disbursements of counsel or advisors to the Foundation Shareholder and (ii) after the Company IPO, the Foundation Shareholder shall be responsible for all such expenses.

Section 12. Rule 144. The Company shall take such measures and file such information, documents and reports as shall be required by the SEC as a condition to the availability of Rule 144. The Foundation Shareholder shall not be permitted to sell any Registrable Securities pursuant to Rule 144 until such time as the Foundation Shareholder shall have sold Registrable Securities to non-Affiliates of the Foundation Shareholder and shall have received in exchange therefor aggregate proceeds of at least representing at least 25% of the outstanding capital stock of the Company. Thereafter, the Foundation Shareholder shall not be permitted to sell any Registrable Securities pursuant to Rule 144 if (i) such sale shall be to any Person that Beneficially Owns any shares of Common Stock in excess of the Ownership Limit applicable to such Person; (ii) such sale shall cause any Person to Beneficially Own any shares of Common Stock in excess of the Ownership Limit applicable to such Person; or (iii) such sale would violate the terms of this Agreement, the Voting Trust and Divestiture Agreement, the Articles of Incorporation or the Bylaws.

### Section 13. Private Placements.

(a) Subject to the terms of this Agreement, the Voting Trust and Divestiture Agreement, the Articles of Incorporation, the Bylaws and the right of first refusal in favor of the Company described below in this Section 13, the Foundation Shareholder shall have the right at all times to sell shares of Registrable Securities in one or more private placements (the "Private Placement Securities") to qualified investors provided that the Foundation Shareholder provides written notice to the Company at least forty-five (45) Business Days prior to making any such proposed private placement advising the Company of the terms and conditions of such proposed private placement (the "Private Placement Notice"), and provided further that the consummation of such proposed private placement would not cause any Person to Beneficially Own any shares of Common Stock in excess of the Ownership Limit applicable to such Person. The Private Placement Notice shall contain the identity of the proposed private placement purchaser, the price at which the Private Placement Securities shall be sold to the proposed private placement purchaser, the number of Private Placement Securities to be sold to the proposed private placement purchaser, and all other material terms and conditions of the proposed private placement. Following its receipt of the Private Placement Notice, the Company shall have the right, but not the obligation (the "Private Placement Option"), exercisable by providing written notice thereof (the "Private Placement Option Notice") to the Foundation Shareholder within thirty (30) Business Days, to purchase all (but not less than all) of the Private Placement Securities on the same terms and conditions contained in the Private Placement Notice. The Private Placement Option Notice shall state the closing date of the Company's purchase of the Private Placement Securities, which shall take place no later than sixty (60) days after the date of the Private Placement Option Notice. The Company shall pay for the Private Placement Securities that it shall purchase pursuant to the Private Placement Option at the closing thereof by wire transfer of immediately available funds to a bank account designated by the Foundation Shareholder. At such closing, the Foundation Shareholder shall deliver to the Company a certificate or certificates representing the number of Private Placement Securities, free and clear of all liens, claims, security interests and other encumbrances. The Company shall be entitled to receive customary representations and warranties from the Foundation Shareholder regarding such sale of Private Placement Securities (including representations regarding good title to such shares free and clear of all liens, claims, security interests and other encumbrances). If the Company shall elect not to exercise the Private Placement Option, the Foundation Shareholder may sell the Private Placement Securities identified in the Private Placement Notice at the time and subject to all of the terms and the conditions contained in the Private Placement Notice. If the Company does not exercise its Private Placement Option and such sale of Private Placement Securities is not consummated within ninety (90) Business Days of the Private Placement Notice, the Foundation Shareholder shall be obligated to again comply with this Section 12 before it may sell any such Private Placement Securities.

(b) The Company shall have the right at all times to issue and sell its securities in one or more private placements or other transactions not requiring

registration under the Securities Act without providing notice thereof to the Foundation Shareholder or permitting the Foundation Shareholder to participate in such transactions.

Section 14. Covenants of Foundation Shareholder. The Foundation Shareholder hereby covenants and agrees that it shall not sell any Registrable Securities in violation of the Securities Act and this Agreement, the Voting Trust and Divestiture Agreement, the Articles of Incorporation and the Bylaws.

Section 15. Indemnification; Contribution.

(a) The Company shall indemnify and hold harmless the Foundation Shareholder, its officers and directors and each Person who controls the Foundation Shareholder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and any agent or investment adviser thereof against all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees and expenses) incurred by such party pursuant to any actual or threatened action, suit, proceeding or investigation arising out of or based upon (i) any untrue or alleged untrue statement of material fact contained in any Registration Statement, any Prospectus or preliminary Prospectus, or any amendment or supplement to any of the foregoing, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or a preliminary Prospectus, in light of the circumstances then existing) not misleading, except in each case insofar as the same arise out of or are based upon, any such untrue statement or omission made in reliance on and in conformity with information with respect to the Foundation Shareholder furnished to the Company by the Foundation Shareholder or its counsel expressly for use therein. Notwithstanding the foregoing provisions of this Section 15(a), the Company shall not be liable to the Foundation Shareholder, its officers and directors, any other Person who controls the Foundation Shareholder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), or any agent or investment adviser thereof, under this Section 15 for any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense that arises out of an untrue statement or alleged untrue statement or omission or alleged omission in the preliminary Prospectus if the Foundation Shareholder, or other Person on behalf of the Foundation Shareholder, failed to send or deliver a copy of a final Prospectus to the Person asserting the claim prior to the written confirmation of the sale of the Registrable Securities to such Person and such statement or omission was corrected in such final Prospectus and the Company had previously and timely furnished sufficient copies thereof to the Foundation Shareholder in accordance with this Agreement.

(b) In connection with any registration of Registrable Securities pursuant to this Agreement, the Foundation Shareholder shall furnish to the Company and any underwriter in writing such information, including the name, address and the amount of Registrable Securities held by the Foundation Shareholder, as the Company or any underwriter reasonably requests for use in the Registration Statement relating to such registration or the related Prospectus and agrees to indemnify and hold harmless the

Company, any underwriter, each such party's officers and directors and each Person who controls each such party (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and any agent or investment adviser thereof against all losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees and expenses) incurred by each such party pursuant to any actual or threatened action, suit, proceeding or investigation arising out of or based upon (i) any untrue or alleged untrue statement of material fact contained in any Registration Statement, any Prospectus or preliminary Prospectus, or any amendment or supplement to any of the foregoing, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or a preliminary Prospectus, in light of the circumstances then existing) not misleading, but only to the extent that any such untrue statement or omission is made in reliance on and in conformity with information with respect to the Foundation Shareholder furnished to the Company or any underwriter by the Foundation Shareholder or its counsel specifically for inclusion therein. Notwithstanding the foregoing provisions of this Section 15(b), the Foundation Shareholder shall not be liable to the Company, any of the Company's officers or directors, any other Person who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), or any agent or investment advisor thereof, if the Foundation Shareholder had provided information curing any untrue statement or omission in time reasonably sufficient to prevent the inclusion of such untrue statement or omission in the Registration Statement. In no event shall the Foundation Shareholder be liable or responsible for any amount in excess of the amount by which the total amount received by the Foundation Shareholder with respect to its sale of Registrable Securities pursuant to a Registration Statement exceeds the amount of any damages that the Foundation Shareholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(c) Any Person entitled to indemnification hereunder agrees to give prompt written notice to the indemnifying party after the receipt by such indemnified party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which such indemnified party may claim indemnification or contribution pursuant to this Section 15 (provided that failure to give such notification shall not affect the obligations of the indemnifying party pursuant to this Section 15 except to the extent the indemnifying party shall have been actually prejudiced as a result of such failure). In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof; the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof; with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof; the indemnifying party shall not be liable to such indemnified party under this Section 15 for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified

party, in connection with the defense thereof other than reasonable costs of investigation. Notwithstanding the foregoing, if (i) the indemnifying party shall not have employed counsel reasonably satisfactory to such indemnified party to take charge of the defense of such action within a reasonable time after notice of commencement of such action (so long as such failure to employ counsel is not the result of an unreasonable determination by such indemnified party that counsel selected pursuant to the immediately preceding sentence is unsatisfactory) or if the indemnifying party shall not have demonstrated to the reasonable satisfaction of the indemnified party its ability to finance such defense, or (ii) the actual or potential defendants in, or targets of; any such action include both the indemnifying party and such indemnified party and such indemnified party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the indemnifying party which, if the indemnifying party and such indemnified party were to be represented by the same counsel, could result in a conflict of interest for such counsel or materially prejudice the prosecution of the defenses available to such indemnified party, then such indemnified party shall have the right to employ separate counsel, in which case the fees and expenses of one counsel or firm of counsel (plus one local or regulatory counsel or firm of counsel) selected by a majority in interest of the indemnified parties shall be borne by the indemnifying party and the fees and expenses of all other counsel retained by the indemnified parties shall be paid by the indemnified parties. No indemnified party shall consent to entry of any judgment or enter into any settlement without the consent (which consent, in the case of an action, suit, claim or proceeding exclusively seeking monetary relief; shall not be unreasonably withheld) of each indemnifying party.

(d) If the indemnification from the indemnifying party provided for in this Section 15 is unavailable to an indemnified party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified party in connection with the actions which resulted in such losses, claims, damages, liabilities and expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 15(c) hereof; any legal and other fees and expenses reasonably incurred by such indemnified party in connection with any investigation or proceeding. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 15(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable

considerations referred to above in this Section 15(d). Notwithstanding the provisions of this Section 15(d), no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and the Foundation Shareholder shall not be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities of the Foundation Shareholder were offered to the public exceeds the amount of any damages which the Foundation Shareholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(1) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. If indemnification is available under this Section 15, the indemnifying parties shall indemnify each indemnified party to the fullest extent provided in Section 15(a) or Section 15(b) hereof; as the case may be, without regard to the relative fault of such indemnifying parties or indemnified party or any other equitable consideration provided for in this Section 15(d).

(e) The provisions of this Section 14 shall be in addition to any liability which any party may have to any other party and shall survive any termination of this Agreement. The indemnification provided by this Section 14 shall remain in full force and effect irrespective of any investigation made by or on behalf of an indemnified party, so long as such indemnified party is not guilty of acting in a fraudulent, reckless or grossly negligent manner.

Section 16. Participation in Underwritten Offerings. The Foundation Shareholder may not participate in any Underwritten Offering hereunder unless the Foundation Shareholder (i) in the case of a registration pursuant to Section 3 hereof, agrees to sell the Foundation Shareholder's securities on the basis provided in any underwriting arrangements approved by the Company in its reasonable discretion, and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

Section 17. Injunctions; Specific Performance. Each party hereto acknowledges and agrees that the rights and obligations set forth in this Agreement are unique and of such a nature as to be inherently difficult or impossible to value monetarily and irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its specific terms or were otherwise breached. Therefore, each party hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which such party may be entitled at law or in equity.

Section 18. Amendments and Waivers. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure herefrom, shall in any event be effective unless the same is in writing and is signed by the party against whom enforcement of the same is sought. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which given. No delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, no waiver on the part of any party hereto of any right, power or privilege hereunder shall operate as a waiver of any other right, power, or privilege hereunder, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. The waiver or consent (whether express or implied) by any party of the breach of any term or condition of this Agreement shall not prejudice any remedy of any other party in respect of any continuing or other breach of the terms and conditions hereof, and shall not be construed as a bar to any right or remedy which any party would otherwise have on any future occasion under this Agreement.

Section 19. Notices. All notices, consents, requests, demands and other communications hereunder must be in writing, and shall be deemed to have been duly given or made: (i) when delivered in person; (ii) three (3) days after deposited in the United States mail, first class postage prepaid; (iii) in the case of telegraph or overnight courier services, one (1) Business Day after delivery to the telegraph company or overnight courier service with payment provided; or (iv) in the case of telex or telecopy or fax, when sent, verification received, in each case addressed as follows (or to such other address which any party specifies by like notice):

if to the Company:

[New PREMERA Corp.]  
P.O. Box 327  
Mail Stop 316  
Seattle, Washington 98111  
Facsimile: (425) 670-5267  
Attention: John P. Domeika  
Senior Vice President and General Counsel

with copy to:

Preston Gates & Ellis LLP  
701 5th Avenue, Suite 5000  
Seattle, Washington 98104  
Facsimile: (206) 623-7022  
Attention: C. Kent Carlson

and

Sullivan & Cromwell  
125 Broad Street  
New York, New York 10004  
Facsimile: (212) 558-3588  
Attention: William D. Torchiana

if to the Foundation Shareholder:

\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

with copy to:

\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section 20. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors of each of the parties. This Agreement and the provisions of this Agreement that are for the benefit of the Foundation Shareholder shall not be assignable by the Foundation Shareholder to any Person and any such purported assignment shall be null and void *ab initio*. Notwithstanding anything in this Agreement to the contrary, the Company may assign all or any portion of its rights with respect to the Demand Option and the Continuing Option to any Person, subject to compliance with securities and other applicable laws; provided, that no such assignment shall be permitted to the extent it would result in a sale of Registrable Securities (i) to any Person that Beneficially Owns any shares of Common Stock in excess of the Ownership Limit applicable to such Person, (ii) that would cause any Person to Beneficially Own any shares of Common Stock in excess of the Ownership Limit applicable to such Person, or (iii) in violation of the terms of the Voting Trust and Divestiture Agreement, the Articles of Incorporation or the Bylaws.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Section 22. Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

Section 23. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to Washington's conflict of law or choice of law rules. The parties irrevocably submit to the exclusive jurisdiction of the state and federal courts situated in King County, Washington in any proceeding relating to this Agreement, and agree that any process or summons in any such action may be served by providing to the party a copy thereof in accordance with the notice provisions of this Agreement.

Section 24. Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstances, shall be held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be in any way impaired thereby, it being intended that all remaining provisions contained herein shall not be in any way impaired thereby.

Section 25. Entire Agreement. This Agreement, including any exhibits or attachments referred to herein, together with the other Transaction Documents, contain the entire agreement between the parties hereto regarding the subject matter hereof and may not be amended, altered or modified except by a writing signed by the parties hereto. This Agreement supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof, all of which are specifically integrated into this Agreement; provided that this Agreement shall not be interpreted as superseding any of the Transaction Documents. No party hereto shall be bound by or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth herein or in the Transaction Documents; and the parties hereto further acknowledge and agree that in entering into this Agreement they have not in any way relied and will not rely in any way on any of the foregoing not specifically set forth herein or in the Transaction Documents.

Section 26. Further Actions; Best Efforts. The Foundation Shareholder shall use its best efforts to take or cause to be taken all appropriate action and to do or cause to be done all things reasonably necessary, proper or advisable under applicable law and regulations to assist the Company in the performance of its obligations hereunder, including, without limitation, the preparation and filing of any Registration Statements pursuant to any Demand.

Section 27. Fair Construction. This Agreement is the product of negotiation and shall be deemed to have been drafted by all of the parties. It shall be construed in accordance with the fair meaning of its terms and its language shall not be strictly construed against, and no ambiguities be resolved against, any particular party.

*[Remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

[New PREMERA], a Washington corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Foundation Shareholder], a Washington  
nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **ANNEX A**

### Transaction Documents